

[4310-MR-W]

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Agency Information Collection Activities: Submitted for
Office of Management and Budget (OMB) Review; Comment
Request

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of a revision of a currently approved
information collection (OMB Control Number 1010-0095).

SUMMARY: To comply with the Paperwork Reduction Act (PRA)
of 1995, we are submitting to OMB for review and approval an
information collection request (ICR) titled "Request to
Exceed Regulatory Allowance Limitation." We are also
soliciting comments from the public on this ICR.

DATES: Submit written comments on or before [Insert date 30
days after publication in the **FEDERAL REGISTER**].

ADDRESSES: Submit written comments to the Office of
Information and Regulatory Affairs, OMB, Attention: Desk
Officer for the Department of the Interior (OMB Control
Number 1010-0095), 725 17th Street, NW, Washington, D.C.
20503. Also, submit copies of your written comments to
Carol Shelby, Regulatory Specialist, Minerals Management

Service, MS 320B2, P.O. Box 25165, Denver, Colorado 80225.

If you use an overnight courier service, MMS's courier address is Building 85, Room A-614, Denver Federal Center, Denver, Colorado 80225.

FOR FURTHER INFORMATION CONTACT: Carol Shelby, Regulatory Specialist, phone (303) 231-3151 or FAX (303) 231-3385.

SUPPLEMENTARY INFORMATION:

Title: Request to Exceed Regulatory Allowance Limitation.

OMB Control Number: 1010-0095.

Bureau Form Number: Form MMS-4393.

Abstract: The Department of the Interior (DOI) is responsible for matters relevant to mineral resource development on Federal and Indian lands and the Outer Continental Shelf (OCS). The Secretary of the Interior (Secretary) is responsible for managing the production of minerals from Federal and Indian lands and the OCS, collecting royalties from lessees who produce minerals, and distributing the funds collected in accordance with applicable laws. The Secretary also has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. MMS performs the royalty management functions for the Secretary.

Under certain circumstances, lessees are authorized to

deduct from royalty payments the reasonable actual costs of transporting the royalty portion of produced oil and gas from the lease to a processing or sales point not in the immediate lease area. When gas is processed for the recovery of gas plant products, lessees may claim a processing allowance. Transportation and processing allowances are a part of the product valuation process that MMS uses to determine if the lessee is reporting and paying the proper royalty amount.

Regulations at 30 CFR 206.54(b)(1), 206.109(c)(1), 206.156(c)(1), and 206.177(c)(1) establish the limit on transportation allowance deductions for oil and gas at 50 percent of the value of the oil or gas at the point of sale. Regulations at 30 CFR 206.54(b)(2), 206.109(c)(2), 206.156(c)(3), and 206.177(c)(2)-(3) provide that MMS may approve a transportation allowance in excess of 50 percent upon proper application from the royalty payor.

Similar regulations at 30 CFR 206.158(c)(2) establish 66 2/3 percent of the value of each gas plant product as the limit on the allowable gas processing deduction. Regulations at 30 CFR 206.158(c)(3) provide for the approval of a gas processing allowance in excess of 66 2/3 percent when properly requested by a Federal gas royalty payor. Effective January 2000, Indian gas regulations do not

contain any provisions to exceed the 66 2/3 percent processing allowance limit.

To request permission to exceed an allowance limit, royalty payors must write a letter to MMS providing the reasons why a higher allowance limit is necessary. MMS developed Form MMS-4393 to be included with the payor's request because in previous unstructured requests some necessary information was frequently omitted.

MMS is seeking approval to revise Form MMS-4393. These revisions are necessary to make Form MMS-4393 compatible with other recently revised forms such as the Form MMS-2014, Report of Sales and Royalty Remittance (OMB control number 1010-0140). These revisions are the result of a major reengineering of MMS's financial and compliance processes and the procurement of a new computer system. For example, during the reengineering process, MMS decided to eliminate the reporting of an accounting identification (AID) number and selling arrangement number on all existing forms. In their place, MMS is requiring a combination of lease and agreement numbers and sales type codes. Since the existing Form MMS-4393 contains columns for AID and selling arrangement numbers, these columns must be removed and new columns for lease and agreement numbers must be added. The revised form requires similar types of information to be

provided by the payor so we do not anticipate any changes in burden hours. The revised form will become effective and replace the existing form on or about January 2002, when our new financial and compliance system is fully operational.

Responses to this information collection are required to obtain or retain a benefit. Proprietary information is requested and protected, and there are no questions of a sensitive nature involved in this collection of information.

Frequency: Annually.

Estimated Number and Description of Respondents: 75 royalty payors.

Estimated Annual Reporting and Recordkeeping "Hour"

Burden: 37 hours. See the following chart for a breakdown of the burden estimate by CFR section and paragraph.

| 30 CFR Section | Reporting Requirement | Burden Hours per Response | Annual Number of Responses | Annual Burden Hours |
|--|--|---------------------------|----------------------------|---------------------|
| 206.54(b)(2) 206.109(c)(2) 206.156(c)(3) 206.158(c)(3) 206.177(c)(3) | An application for exception (using Form MMS-4393...) shall contain all relevant and supporting documentation necessary for MMS to make a determination. | .5 | 75 | 37 |

Estimated Annual Reporting and Recordkeeping "Non-hour"

Burden: We have identified no "non-hour cost" burden.

Comments: Section 3506(c)(2)(A) of the PRA (44 U.S.C. 3501, et seq.) requires each agency "* * *" to provide notice * * * and otherwise consult with members of the public and

affected agencies concerning each proposed collection of information * * *." Agencies must specifically solicit comments to (a) evaluate whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

To comply with the public consultation process, on August 15, 2001, we published a Federal Register notice (66 FR 42875) with the required 60-day comment period announcing that we would submit this ICR to OMB for approval. We received comments from one company. We responded to the comments in our ICR submission for OMB approval. We will provide a copy of the ICR to you without charge upon request.

If you wish to comment in response to this notice, please send your comments directly to the offices listed under the **ADDRESSES** section of this notice. OMB has up to 60 days to approve or disapprove the information collection but may respond after 30 days. Therefore, to ensure maximum

consideration, OMB should receive your comments by [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE **FEDERAL REGISTER**]. The PRA provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Public Comment Policy: We will make copies of these comments, including names and home addresses of respondents, available for public review during regular business hours at our offices in Lakewood, Colorado.

Individual respondents may request that we withhold their home address from the record, which we will honor to the extent allowable by law. There may be circumstances in which we would withhold from the record a respondent's identity, as allowable by the law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comments. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

MMS Information Collection Clearance Officer: Jo Ann
Lauterbach, telephone (202) 208-7744

Date

Lucy Querques Denett
Associate Director for
Minerals Revenue Management